

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:1511
ANSWERED ON:31.07.2003
GLOBAL TENDERS FOR ORDNANCE FACTORY AT RAJGIR
AJAY CHAKRABORTY

Will the Minister of DEFENCE be pleased to state:

- (a) whether global tenders were invited before selection of the M/s. Somchem, South Africa, for the ordnance factory at Rajgir (Nalanda);
- (b) if not, the reasons therefor;
- (c) whether it was against the general policy of the Ministry of Defence to issue global tenders for the major defence requirements;
- (d) whether any TOT fees have been paid to M/s. Somchem, South Africa for this project;
- (e) if so, the amount thereof;
- (f) whether it is against the general policy of the Ministry of Defence to obtain TOT free of charge in major defence acquisitions; and
- (g) if so, the reasons for paying TOT fees?

Answer

MINISTER OF DEFENCE (SHRI GEORGE FERNANDES)

- (a) No, Sir.
- (b) The Transfer of Technology (TOT) for production of 155mm Bimodular Charge System (BMCS) was negotiated along with import of BMCS for the army. Global Tender Enquiry was not issued for import of BMCS, since, in 1999 M/s Somchem was the only source for this type of ammunition.
- (c) Does not arise in view of (b) above.
- (d) Yes, Sir.
- (e) The total TOT fee is USD 13.99 million, out of which an amount of USD 11.192 million has been paid after receipt of the technology documents.
- (f) There is no general policy to obtain TOT free of charge.
- (g) Does not arise in view of (f) above.